



“Eigenkapitalforum”
Frankfurt/M., Germany

Dr. Bertram Stausberg, CEO
Christian Schunck, Head of IR

November 27-29, 2017





Schaltbau – Group Overview and Strategy

Bringing Schaltbau Back on Track

Experienced Management



Dr. Bertram Stausberg

Spokesman of the Executive Board, CEO (since Apr. 1, 2017)

- Co-CEO Bertelsmann Printing Group (2016)
- CEO Be Printers and Prinovis Ltd. & Co. KG (2012-15)



Thomas Dippold

CFO (since Jan. 1, 2017)

- CFO Faber-Castell AG (2014-16)
- CFO Semikron International (2008-14)



Dr. Martin Kleinschmitt

CRO (since Aug. 9, 2017)

- Member of the Executive Board Noerr Consulting AG
- Interim management of various SMEs as CFO/CRO

Our common objective

“We will strictly follow the cornerstones of our management agenda to return to the profit zone as quickly as possible and justify the confidence of our shareholders and financing banks. Furthermore, through stringent cost management, we are securing additional scope for investing in future projects that are critical to our organic growth.”

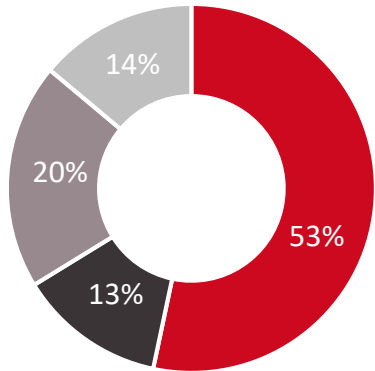
Bringing Schaltbau Back on Track

Strong Shareholder Base




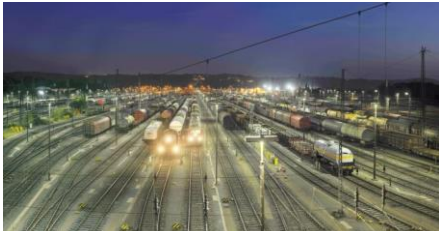
- One large shareholder group:
 - Formal “Acting-in-Concert” since November 3, 2017
 - In total uniting 28.90 % of the vote
 - Comprising Luxunion S. A., Monolith Duitland B. V., Elrena GmbH, and former Chairperson of the Supervisory Board Hans-Jakob Zimmermann (with related family parties)
- No other shareholder or shareholder group holding 10 % or more each
- Formal “Acting-in-Concert” between AOC/AOF and former Speaker of the Executive Board Dr. Jürgen Cammann (with related family parties) slightly below 10 %
- Executive Board appreciates a strong and supportive shareholder base for bringing Schaltbau back on track

Mobility Enabler: Core Markets and Product Range

Sales by sector 2016



- Rolling Stock
- Automotive
- Industrial Solutions
- Rail Infrastructure

Segments	Mobile Transportation Technology	Components	Stationary Transportation Technology	
Sectors	Automotive	Rolling Stock	Industrial Solutions	Rail Infrastructure
	 <p>Product Range</p> <ul style="list-style-type: none"> • Door systems for buses • Control electronics and access systems • Sliding doors • Box/door units for delivery vans (StreetScooter) <p>Exemplary Customers</p> <ul style="list-style-type: none"> • Deutsche Post DHL (StreetScooter) • Volkswagen • Major bus OEMs (Daimler, Solaris, MAN, etc.) 	 <p>Product Range</p> <ul style="list-style-type: none"> • Door systems and exteriors • Interiors, sanitary systems • Auxiliary power, information and communication systems • Electromechanical components • Driver desks <p>Exemplary Customers</p> <ul style="list-style-type: none"> • Alstom • Bombardier • Siemens Transportation • Stadler Group 	 <p>Product Range</p> <ul style="list-style-type: none"> • Heavy-duty brake systems for material handling • Industrial brakes and couplings • Hydraulic power units for wind turbines • Contactors, switches, connectors (e. g., renewable energy, material handling) <p>Exemplary Customers</p> <ul style="list-style-type: none"> • PSA International (ports) • General Electric • Jungheinrich & Kion 	 <p>Product Range</p> <ul style="list-style-type: none"> • Crossing safety technology • Rail point heating systems • Shunting and marshalling technology • Axle counter systems • Tunnel safety lighting • Platform screen doors <p>Exemplary Customers</p> <ul style="list-style-type: none"> • Deutsche Bahn • Other rail infrastructure operators

Rail Industry: Schaltbau's Most Important Market Shows Positive Trend

Major market opportunities

Digitalization / Automation:

Digitalization of subsystems and components

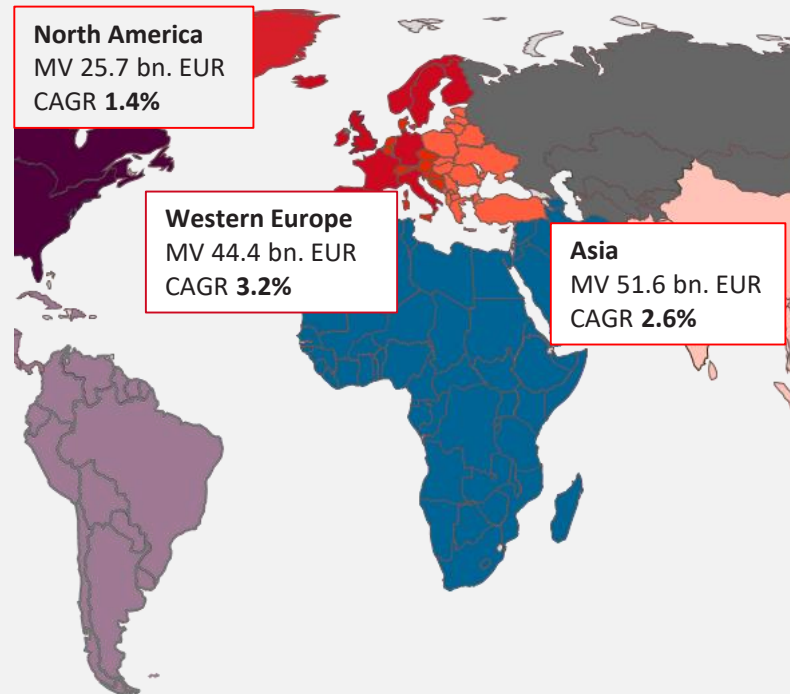
Urbanization:

Increasing demand for passenger trains in urban regions, strong focus on reliability of solutions

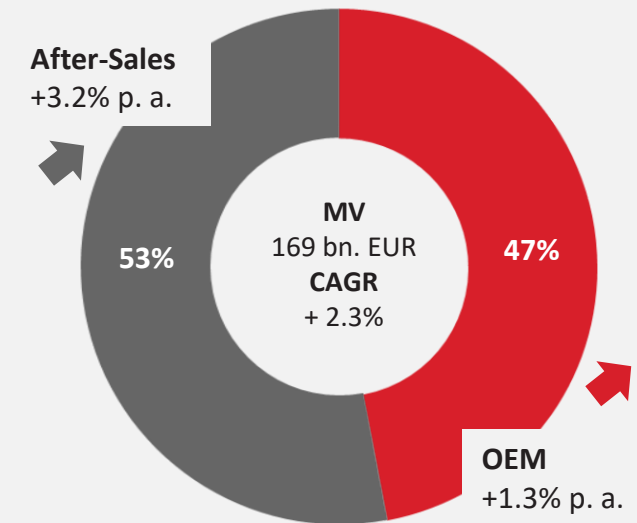
Deregulation / Standardization:

Better access to growth segments such as after-sales and new geographic markets

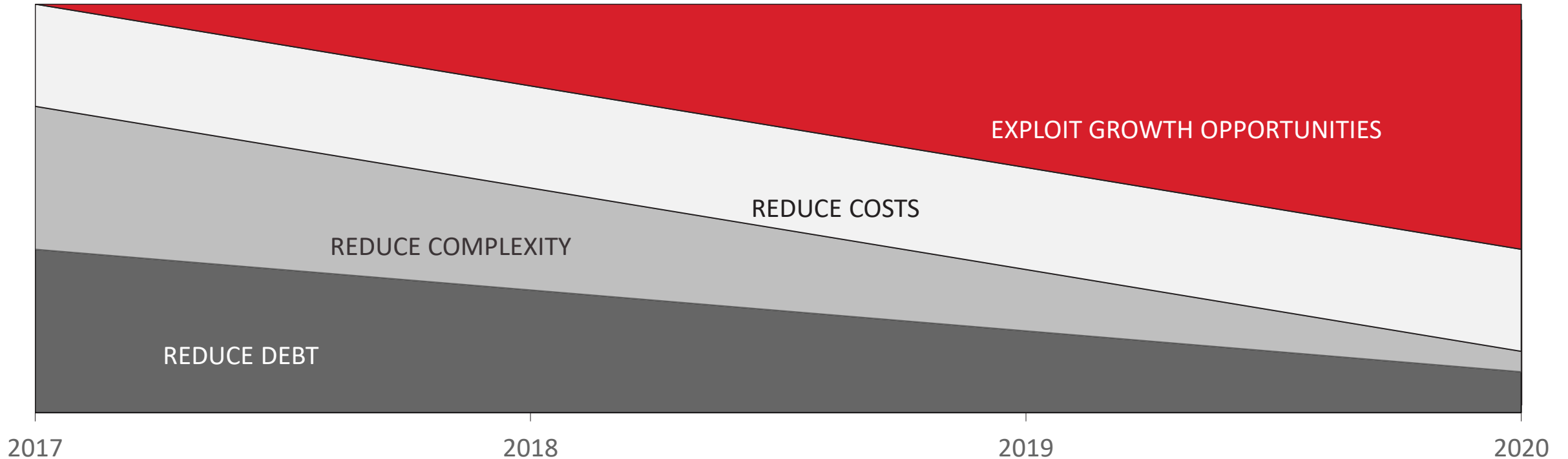
Schaltbau's core markets show largest market volume (MV) and above average growth



After-sales is growing faster than OEM segment (CAGR until 2020)



Restructuring Roadmap Schaltbau: Priorities until 2020



Main Pillars of the Strategic Agenda of Schaltbau Group

Shared vision:
"One Schaltbau"

Sustainable and profitable growth

Technical innovation and system integration



Operational Excellence (Performance culture)



Comprehensive market and customer handling (Customer focus)



Systematic life-cycle business models incl. after Sales



Internationalization Think global / Act local



Solid financing to enable strategic and operational flexibility

Corporate culture und governance / Qualified employees / Ready-for-change organizational culture

Major Fields of Action Addressed by this Strategic Agenda

Market challenges

Digitalization: Massive change of business models, substitution effects and growing competition

Deregulation: Liberalization leading to fundamental changes of procurement processes

Competition from China: Growing competitive pressure for tier 1-3 suppliers

Tougher local content requirements: Forcing internationalization alongside with OEMs

Shared vision
"One Schaltbau"

Customer centricity

Creating one stable customer-centric platform for sustainable and profitable growth

Effective control

Sustained growth

Corporate challenges

Earnings weakness, in particular in Stationary Transportation Technology Segment

Tense financial situation due to risky anorganic growth in the past

Improvement of Schaltbau's market position in some product groups requires targeted innovation and sales initiatives

Operational excellence: Significant potential in increasing efficiency and cost savings



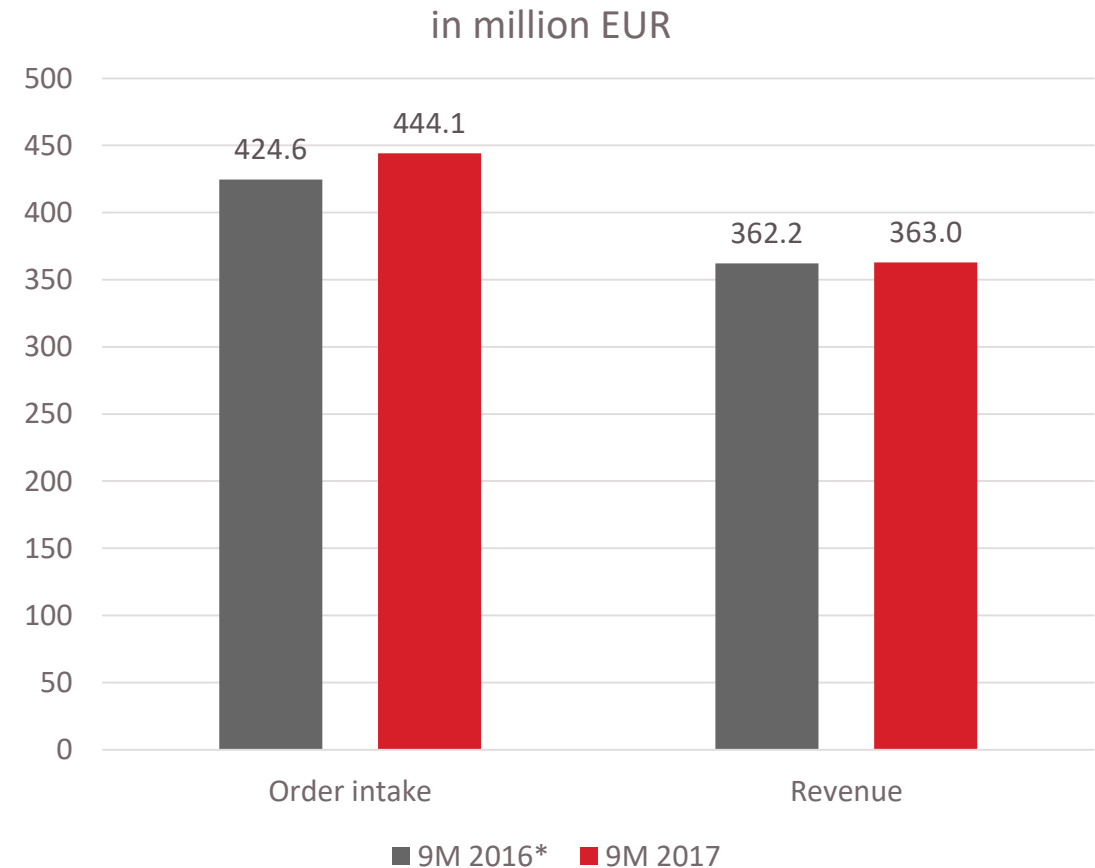
Schaltbau – Q3/9M Financials

Overall Assessment of 9M/Q3 2017 Shows Initial Signs of Improvement

- Overall **operating performance in line with expectations**; increases in order intake and order book (more than 500 Mio. EUR) confirm Schaltbau's positioning and secure **positive business outlook** for Q4 2017 and beyond
- **Growth in Q3**: revenue went up by 8.3% and order intake by 41.5% (growth includes Schaltbau Sepsa consolidation effects)
- **Schaltbau Sepsa**, fully consolidated since Sept. 30, 2016:
 - **Revaluation** leads to non-operating and non-cash one-off EBIT effect of -12.0 million EUR as of September 30, 2017 (in total about -28 million EUR for full financial year 2017)
 - Classified under **IFRS 5** as an asset held for sale, yet not as a discontinued operation
- **Operating Q3 EBIT** (before one-off effect from Schaltbau Sepsa revaluation) **almost at break-even**
- 9M operating cashflow only marginally negative; **Q3 operating cashflow clearly positive**
- **Successful working capital management** as cornerstone of stringent cash management
- **Net financial debt** slightly improved compared to June 30, yet the situation remains **challenging**
- Comprehensive **restructuring** has been intensified and is **proceeding according to plan**
- **Operating guidance 2017 confirmed**

Order Intake and Revenue: Organic Shortfall Overcompensated by Consolidation Effects

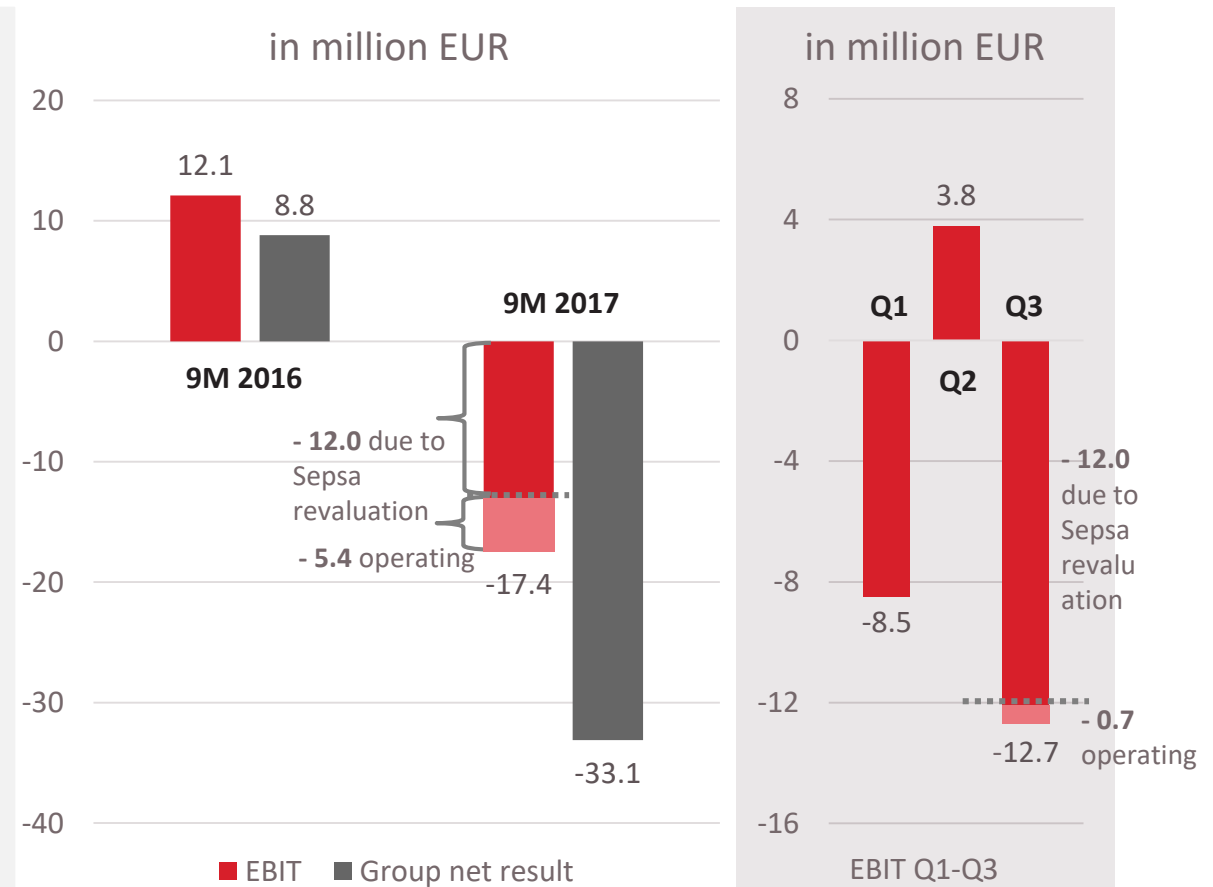
- Increased order intake and stable revenue on Schaltbau Group level in first nine months 2017 – mainly based on growth in Q3:
 - Growth in Mobile Transportation Technology driven by positive consolidation effects; balanced organic growth
 - Sharp decline in Stationary Transportation Technology due to lower customer demand and negative consolidation effects
 - Revenue decrease in Components due to project delays (Italy) and unfavorable product mix (China)
- Order book increases by 18.4% to EUR 509.0 million (end of 2016: EUR 429.8 million)



*previous year's figures were adjusted due to retrospective consolidation of subsidiaries

Operating EBIT in Q3 2017 almost at Break-even – Extraordinary Valuation Effect from Sepsa

- **Q3 2017:** EBIT almost at break-even (adjusted for Sepsa revaluation)
- **9M 2017:** EBIT at -5.4 m. EUR (adjusted for Sepsa revaluation), reflecting unsatisfactory operating profit situation, especially in:
 - Spanish entities in Mobile Transportation Technology
 - Stationary Transportation Technology
- EBIT margin down to -1.5% (adjusted for Sepsa revaluation); 9M 2016: 3.4%
- Below EBIT:
 - Higher interest expenses (gross: 8.8 m. EUR vs 4.5 m. EUR) caused by amendments made to financing contracts in March 2017 and higher debt level
 - Previous year's figures include 7.0 million EUR valuation gain resulting from full consolidation of Schaltbau Sepsa
 - Earnings per share of -5.37 EUR (9M 2016: 0.87 EUR)

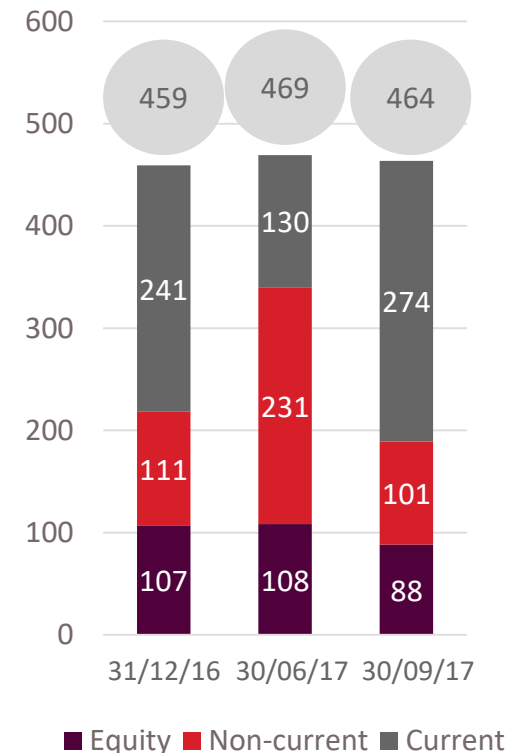


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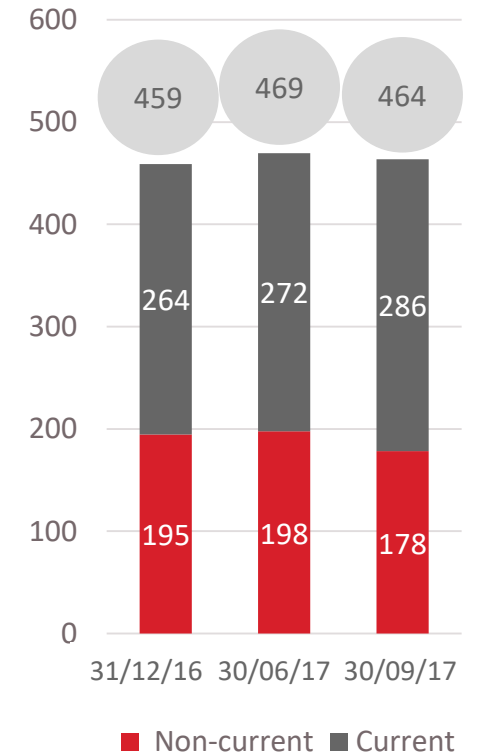
Net Financial Debt slightly Reduced in Q3 Compared to Q2 – Situation Remains Challenging

- Net financial debt at 157.1 m. EUR (adjusted for escrow account); June 30, 2017: 161.4 m. EUR, end of 2016: 148.0 m. EUR)
- Shift from non-current to current liabilities compared to June 30, 2017 (technical effect, reverting to Dec. 31 situation):
 - Long-term liabilities at 101.0 m. EUR, including 41.6 m. EUR financial debt
 - Short-term liabilities down to 274.4 m. EUR, including 152.9 m. EUR financial debt
- Leverage (net financial debt to annual EBITDA) still too high (currently > 10)
- Equity ratio of 19.0% (end of 2016: 23.3%)
- End of February 2018: bridge financing of 25.0 m. EUR to mature, 15.5 m. EUR on escrow account already designated for loan repayment
- Mid-term goals: Further reduce net financial debt, increase equity

Liabilities in million EUR



Assets in million EUR

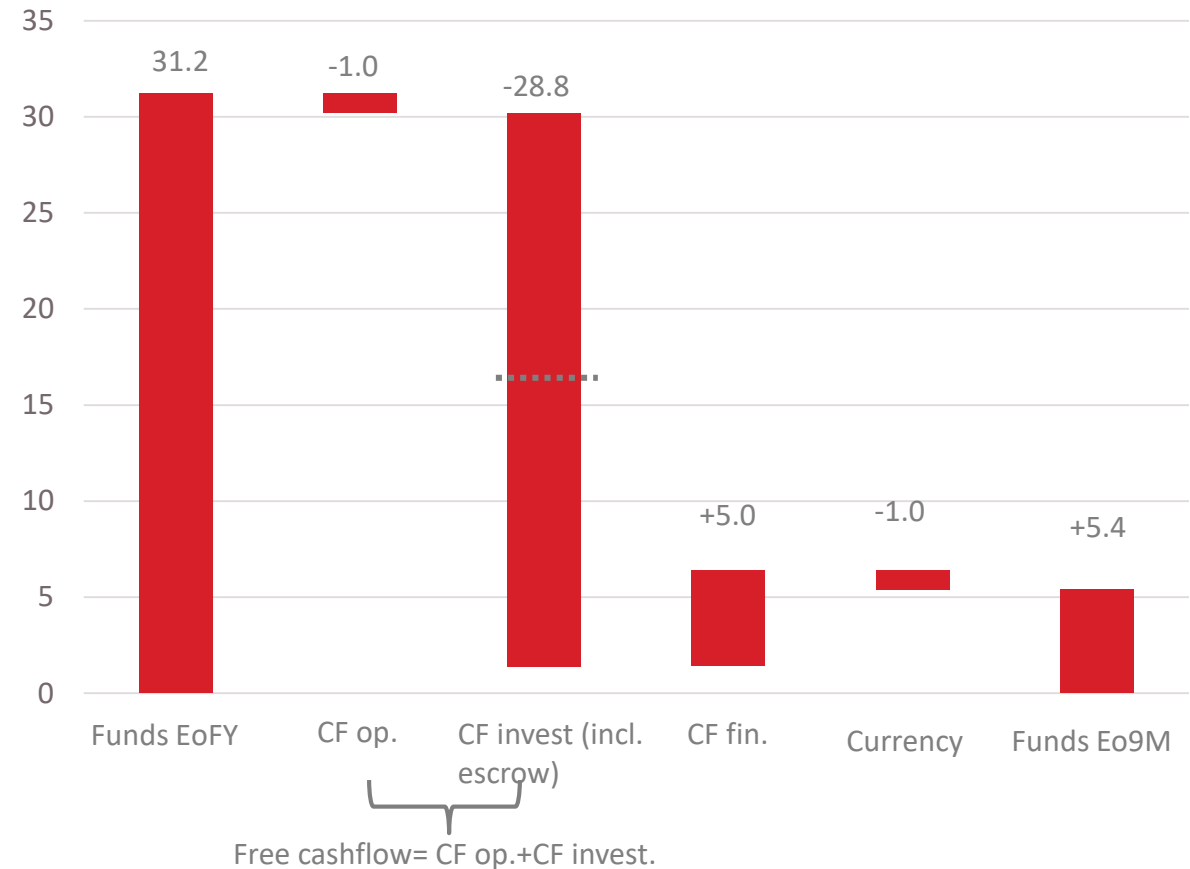


Figures rounded

Positive Operating Cash Flow in Q3

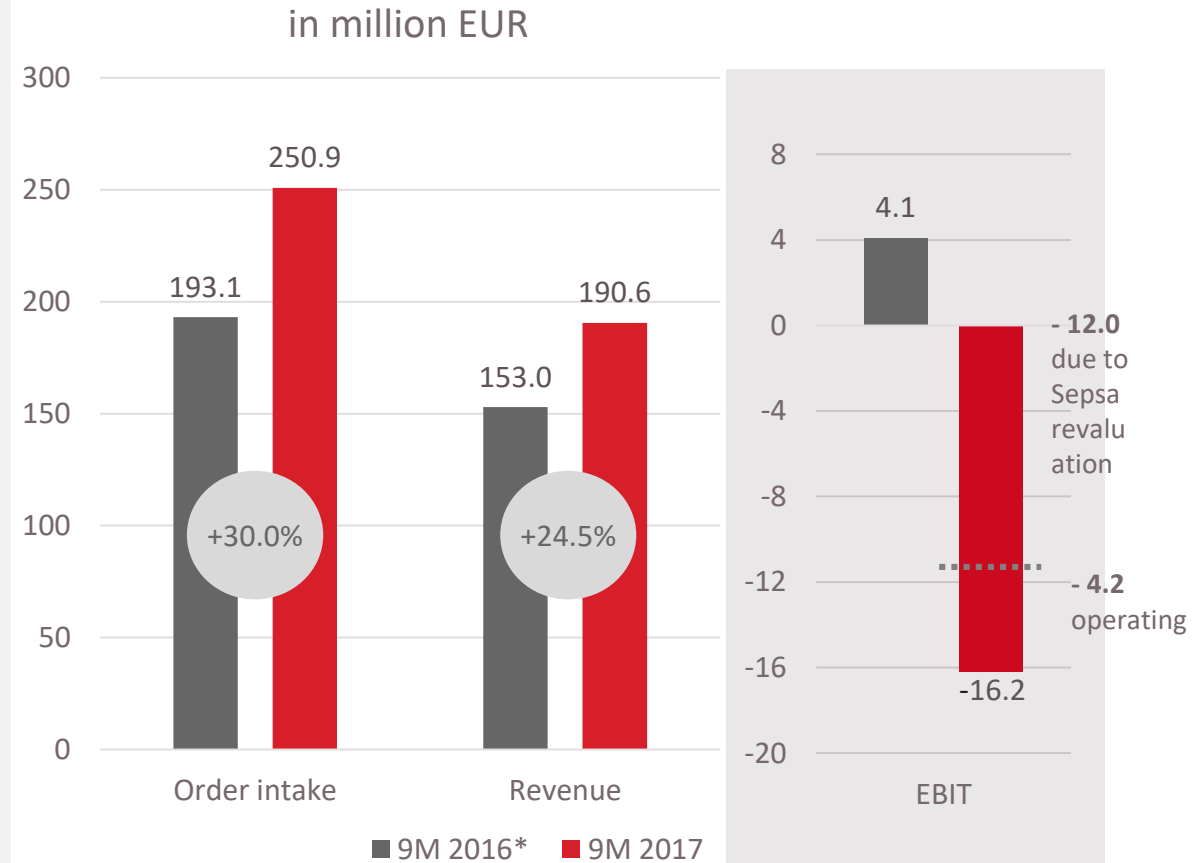
- Positive operating cash flow in Q3 (+6.8 m. EUR) due to stringent working capital management (H1 2017 operating cash flow was -7.8 m. EUR)
- 9M operating cash flow (-1.0 m. EUR) reflects moderate EBITDA and adjustment of working capital to order book growth
- Cash outflow for investments increased to secure future growth (9M 2017: 28.8 m. EUR, thereof 15.5 m. EUR escrow account; 9M 2016: 10.5 m. EUR)
- Resulting 9M 2017 free cash flow of -29.8 m. EUR (adjusted for escrow: -14.3 m. EUR)
- Financial cash 9M 2017 flow mainly reflects:
 - 15.5 m. EUR cash inflow from capital increase and 4.1 m. EUR from new loans
 - 4.3 m. EUR repayment of loans and 9.5 m. EUR cash outflow for interest, and minority dividends
- Group-wide liquid funds of 5.4 m. EUR as of Sept. 30, 2017

Cash flow 9M 2017 in million EUR



Mobile Transportation Technology: Growth Driven by Consolidation Effects

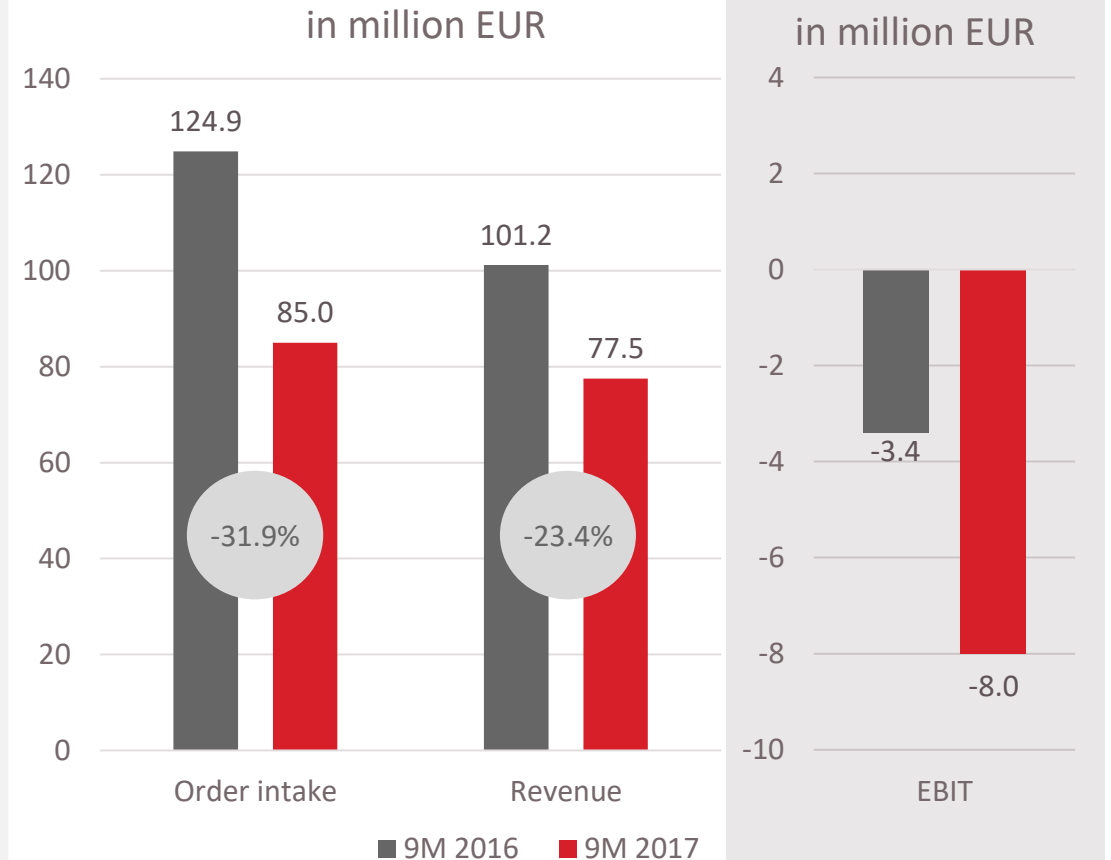
- Order intake up 30.0% (57.8 m. EUR) compared to 9M 2016
 - Consolidation effects Schaltbau Sepsa Group: +23.0 m. EUR
 - Organic growth of order intake at Schaltbau Bode Group including RAWAG (Poland)
- Revenue growth of 24.5% (37.5 m. EUR) compared to 9M 2016
 - Consolidation effects Schaltbau Sepsa Group: +27.6 m. EUR
 - Schaltbau Bode Group: increase in bus and automotive revenue, decrease in rail revenue
 - Schaltbau Alte above previous year
- EBIT margin of -2.2% (adjusted for Sepsa revaluation); Sept. 30, 2016: 2.7%
 - Negative operating contribution of Schaltbau Sepsa Group
 - Positive one-off from China in Q2 2017 (+4.7 m. EUR)
 - Insufficient productivity in operations, in particular in Germany



*previous year's figures were adjusted due to retrospective consolidation of subsidiaries

Stationary Transportation Technology: Order and Revenue Loss

- Significantly lower order intake (-31.9%) in both business units (rail infrastructure and brake systems)
 - Consolidation effects of around -10 m. EUR
 - Brakes: Main client ZPMC (China) with restrained order pattern in H1; signs of improvements for H2 (also due to improved penetration of renewable energy industry)
 - Level crossings in Germany: Initial orders recorded from extraordinary modernization initiative
- Revenue decline of 23.4%
 - Consolidation effects (-10.1 m. EUR)
 - Significantly lower revenue from rail infrastructure products and brake systems
- EBIT margin of -10.3% (Sept. 30, 2016: -3.4%)
 - Revenue decline and initial restructuring costs
 - Partly offset by cost savings

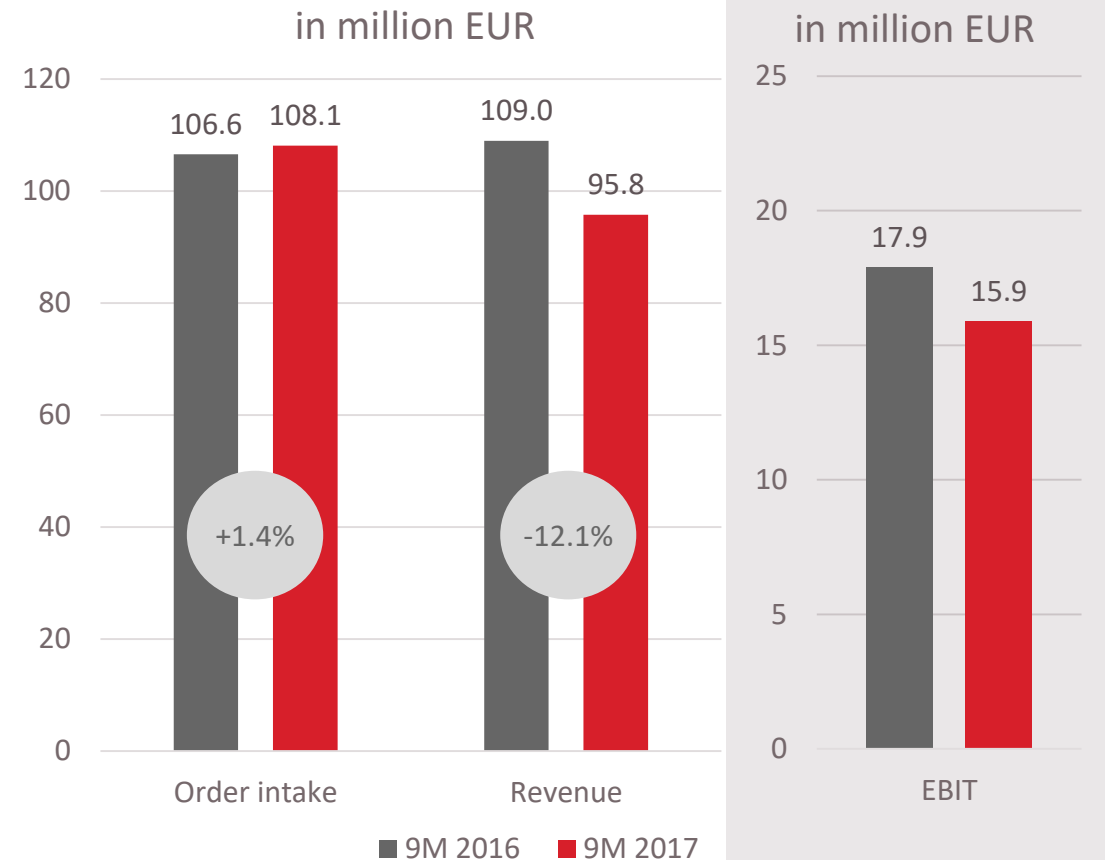


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Components:

Positive Development Except for China and Italy

- Order intake slightly above previous year's level (+1.4%)
 - Continuously challenging market environment in China due to investment shift from locomotives and long-distance rail to metros
 - Low number of new projects in Italy
 - Positive development of worldwide snap-action switch sales
- Significant decline in segment revenue (-12.1%)
 - Revenue decrease in China and Italy
 - Other regions around previous year's level
- EBIT margin of 16.6% (Sept. 30, 2016: 16.5%) almost equal to previous year's level



Operating Guidance for 2017 Confirmed

- Operating guidance for 2017 confirmed (revenue and EBIT without Sepsa revaluation)
- Order backlog serves as stable foundation for profitable growth in Q4 2017 and the following periods
- Sepsa:
 - Revaluation effect (non-operating) of around -28 m. EUR excluded
 - Operating contributions to revenue (FY: 40-45 m. EUR) and EBIT (YTD: negative) remain included

Outlook	Current guidance FY 17*	2016	9M 2017	9M 2016**
Order intake (m. EUR)	Slight improvement	551.2	444.1	424.6
Revenue (m. EUR)	520-540 (expected around lower end)	509.1	363.0	362.2
<i>Mobile Transportation Technology</i>	Significant improvement	222.2	190.6	153.0
<i>Stationary Transportation Technology</i>	Significant decline	149.3	77.5	101.2
<i>Components</i>	Slight decline	137.5	95.8	109.0
EBIT (m. EUR)	2-5*** (expected at lower end)	-14.5	-5.4***	12.1

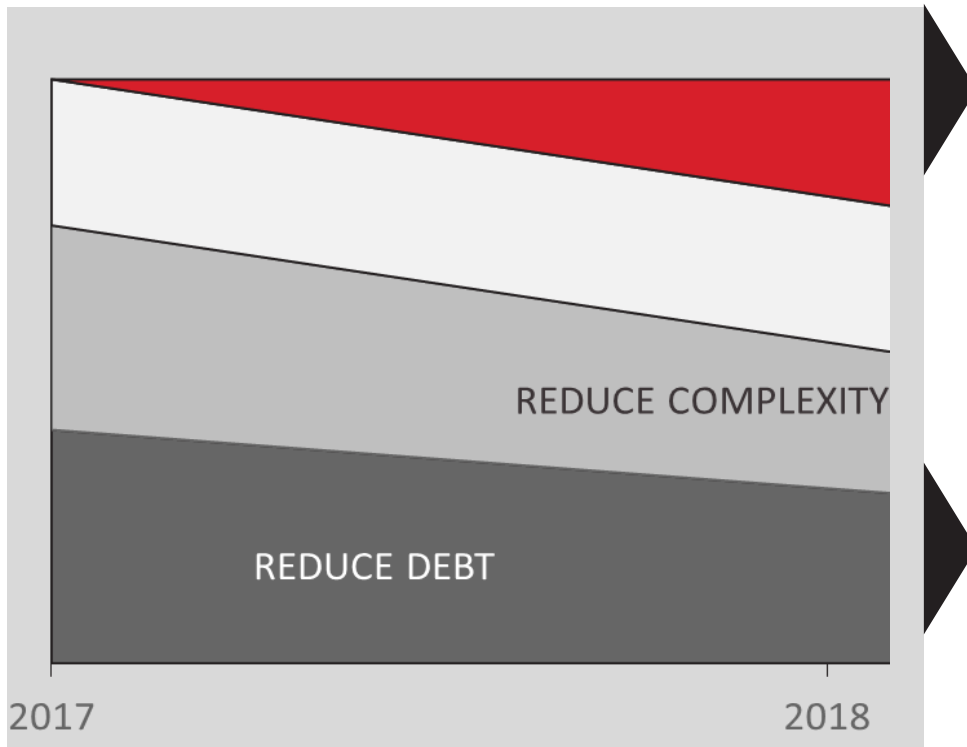
* Compared to FY 16

** Previous year's figures were adjusted due to retrospective consolidation of subsidiaries

*** Excluding non-operating and non-cash one-off effects from revaluation of Schaltbau Sepsa (FY 2017: about -28 m. EUR)

Restructuring Roadmap Schaltbau by February 2018 (maturity of bridge loan)

Financial headroom; operational performance



Achievements

- Order momentum in Mobile Transportation Technology reflects continuous customer interest
- Orders at Stationary Transportation Technology stabilized recently, albeit below 2016 levels
- Earnings development at Components better than expected; revenue development solid

Challenges

- Weak business development of foreign subsidiaries in Mobile Transportation Technology
- Insufficient productivity at a German subsidiary in Mobile Transportation Technology
- Remaining restructuring needs in Stationary Transportation



Appendix

Summary of Consolidation Effects 9M 2016 to 9M 2017

- Schaltbau Sepsa Group, fully consolidated since Sept. 30, 2016, leads to an increase of order intake (+23.0 m. EUR) and revenue (+27.6 m. EUR) of Schaltbau Group and in Mobile Transportation Technology; Schaltbau Sepsa also contributes to material and personnel costs and adds negative earnings to Group P&L (all figures 9M)
- Sale of “Warntechnik” (warning technology) in 2016 reduces revenue of Schaltbau Group and Stationary Transportation Technology by 1.7 m. EUR (pro rata temporis until date of sale)
- Shift of refurbishment business with revenue of approx. 8.4 m. EUR (9M) from Stationary to Mobile Transportation Technology
- Formerly fully-owned Mobile Transportation Technology entity in China became part of a new joint venture (now consolidated at-equity) => main effect on 9M P&L is a one-time positive EBIT effect in Q2 2017 (4.7 m. EUR)

Disclaimer

This presentation contains statements regarding future developments based on information currently available to us. As a result of risks and uncertainties, actual outcomes could differ from the forward-looking statements made.

Schaltbau Holding AG does not intend to update these forward-looking statements.

Financial Calendar 2018 and Contacts

- **April 16, 2018:** Annual Report
- **May 8, 2018:** Group Quarterly Statement (Q1 2018)
- **June 7, 2018:** Annual General Meeting of Shareholders
- **August 8, 2018:** Group Interim Report (Q2/H1 2018)
- **November 8, 2018:** Group Quarterly Statement (Q3/9M 2018)
- **November 2018:** Analysts' and Investors' Presentation at „Eigenkapitalforum“ (“Equity Forum“)

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